

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 03381 01 OF 03 031714Z

ACTION STR-07

INFO OCT-01 ISO-00 IO-13 OIC-02 AF-10 ARA-10 EA-10
EUR-12 NEA-10 STRE-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02 OMB-01
DOE-11 DOEE-00 /159 W

-----105674 031722Z /40

P 031651Z MAR 78

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 6745

INFO AMEMBASSY BRUSSELS

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 01 OF 03 GENEVA 03381

USMTN USEEC

ACTION STR FOR MATTHEISEN

STR PASS CODEL

E.O. 11652 N/A

TAGS: ETRD, MTN, JA, CA

SUBJECT: PLURILATERAL SAFEGUARD DISCUSSIONS, MARCH 1

REFS: GENEVA 3084, 2538

SUMMARY: EFFORTS TO PRODUCE SAFEGUARDS NEGOTIATING
TEXT RESUMED MARCH 1 AS KEY DC MTN DELS MET FOR THIRD
TIME IN AS MANY WEEKS TO CONSIDER REMAINING ITEMS
ON TOPICAL AGENDA. MEETING WITH OUTSIZED LDC GROUP
LATER IN DAY FOCUSED ON LATEST LDC SAFEGUARDS PAPER
AND ON LDC PARTICIPATION IN FUTURE SAFEGUARDS WORK,
RESULTING IN SOME USEFUL CLARIFICATION OF LDC
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 03381 01 OF 03 031714Z

POSITIONS BUT BREAKING NO NEW GROUND. 7 PLUS 7 WILL
MEET MARCH 13 TO CONTINUE DC/LDC TALKATHON. END SUMMARY.

1. U.S. DEL (HARTZELL, ADDUCI) MET WITH KEY DEVELOPED
COUNTRY MTN DELS (EC, NORDICS, CANADA, JAPAN,
SWITZERLAND, AUSTRALIA), MARCH 1 AT EC DEL WHERE
GROUP MOVED SOMEWHAT FURTHER ON DEVELOPING SAFEGUARDS

NEGOTIATING TEXT. NEW CANADIAN TEXT DELAYED (NOW FORECAST FOR END OF WEEK) WHICH FOCUSED ATTENTION ON EXISTING DRAFTS (US-EC AND JAPANESE) UNDER AGENDA ITEM 5 (NOTIFICATION/CONSULTATION), AND 6 (SURVEILLANCE DISPUTE SETTLEMENT), CLOSING WITH BRIEF DISCUSSION OF ITEM 9 (S AND D) IN ANTICIPATION OF MEETING WITH LDC GROUP LATER IN DAY. SWITZERLAND DISTRIBUTED FRENCH TEXT OF PAPER ANALYZING IN GENERAL TERMS RELATIONSHIP BETWEEN MTN CODES AND GATT, TAKING SPECIFIC EXAMPLE OF GOVERNMENT PROCUREMENT BUT RELEVANT ALSO, IN SWISS VIEW, TO SAFEGUARDS. CONSIDERATION OF PAPER WAS DEFERRED TO NEXT SESSION (INFORMAL MTN TRANSLATION HAND CARRIED THIS WEEKEND BY MEYERS TO STR WASHINGTON).

2. UNDER TOPIC 5 (NOTIFICATION/CONSULTATION) DISCUSSION CENTERED IN THREE AREAS: (1) THIRD PARTY CONSULTATION RIGHTS, (2) NOTIFICATION AND CONSULTATION IN CRITICAL CIRCUMSTANCES AND (3) AMOUNT AND TYPES OF INFORMATION INCIDENT TO NOTIFICATION AND CONSULTATION PROCESS. ON CONSULTATION RIGHTS FOR INDIRECTLY AFFECTED THIRD PARTIES, FAMILIAR ARGUMENT ENSUED WITH NORDICS FOR FIRST TIME SUPPORTING U.S. (AGAINST EC) WHEN WE ASSERTED THAT SPECIAL PROVISION NEEDED IN CONTEXT OF NEW SAFEGUARD RULES SO PARTY WHO SUSPECTS HE MAY HAVE PROBLEMS CAN GET LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 03381 01 OF 03 031714Z

INFORMATION RAPIDLY AND TO PROVIDE FORUM FOR POSSIBLE ACCOMMODATION OF THIRD PARTY CONCERNS. AUSTRALIA ARGUED (WITHOUT SUPPORT) ITS DOMESTIC PROCEDURE PROVIDING PARTICIPATION BY INTERESTED PARTIES MAY "GO LONG WAY" TO SATISFYING PRIOR CONSULTATION OBJECTIVE. OTHERS FELT SUCH PROCEDURES WERE NO SUBSTITUTE FOR INTER-GOVERNMENTAL CONSULTATIONS UNDER ARTICLE XIX.

3. WITH REGARD TO ACTION IN "CRITICAL CIRCUMSTANCES," GENERAL CONSENSUS WAS NOTIFICATION SHOULD OCCUR "AT LEAST" IN PARALLEL WITH OR ON SAME DAY SAFEGUARD MEASURE IMPLEMENTED (ALTHOUGH TECHNICALLY REQUIRED PRIOR TO ACTION). EC NOTED THAT IT HAD "INTERNAL PROBLEM" AS MEMBER STATES MAY IN SOME CASES INITIATE ACTION ON PROVISIONAL BASIS SUBJECT TO SUBSEQUENT COMMUNITY CONFIRMATION, MAKING NOTIFICATION (MUCH LESS CONSULTATION) POSSIBLE ONLY AT THAT TIME. U.S. ON OTHER HAND SAID PRIOR CONSULTATION NOT IMPOSSIBLE EVEN IN CRITICAL CIRCUMSTANCES (CITING RELEVANT PROVISION OF MFA AND U.S.-CANADA SPECIAL CONSULTATION ARRANGEMENT) ALTHOUGH U.S.-EC TEXT

DOESN'T REQUIRE IT. CANADA ADDED THAT ARTICLE XIX
DOES NOT REQUIRE CONSULTATIONS TO BE COMPLETED BEFORE
ACTION IS TAKEN; MEASURE CAN BE APPLIED PENDING
OUTCOME OF CONSULTATIONS.

4. ON CONTENT OF NOTIFICATION AND CONSULTATION,
JAPAN NOTED ITS NEW TEXT INCLUDES RULES WHICH ARE FAR
MORE DETAILED THAN U.S.-EC TEXT, SINCE IN ITS
EXPERIENCE, AGREEMENT CAN'T BE REACHED WHEN PARTIES
LACK INFORMATION. EC SUGGESTED POSSIBILITY OF AN
INTERPRETATIVE NOTE OR AN ANNEXED UNDERSTANDING
SPECIFYING MINIMUM TYPES OF INFORMATION TO BE
INCLUDED IN CONNECTION WITH NOTIFICATION AND CONSUL-
TATION, THUS PERMITTING SHORTER MAIN TEXT. WE
COMMENTED THIS APPROACH MIGHT SERVE TO SHORTEN TEXT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 03381 01 OF 03 031714Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 GENEVA 03381 02 OF 03 031720Z
ACTION STR-07

INFO OCT-01 ISO-00 IO-13 OIC-02 AF-10 ARA-10 EA-10
EUR-12 NEA-10 STRE-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02 OMB-01
DOE-11 DOEE-00 /159 W

-----105786 031725Z /40

P 031651Z MAR 78

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 6746

INFO AMEMBASSY BRUSSELS

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 02 OF 03 GENEVA 03381

IN OTHER AREAS AS WELL.

5. DISCUSSION OF AGENDA ITEM 6 (SURVEILLANCE/

DISPUTE SETTLEMENT) MAINLY REHASHED OLD ARGUMENTS ON PROBLEM OF RIGHTS AND OBLIGATIONS AS BETWEEN SIGNATORIES AND NON-SIGNATORIES OF CODE AND AMBIGUITIES OF TRYING TO MIX ARTICLE XXIII AND CODE PROCEDURES. WE ARGUED MORE CAREFUL EXPLANATION OF THIS ISSUE NEEDED IN ALL CODE NEGOTIATIONS; NEW SWISS PAPER MIGHT HELP, AND CANADIANS INDICATED THEIR FORTHCOMING TEXT WOULD ALSO SEEK TO RESOLVE MATTER.

6. LOOKING TO MEETING WITH LDCS LATER IN DAY, ALL DELS REAFFIRMED THAT SCOPE FOR "POSITIVE" S AND D IN SAFEGUARDS CONTEXT WAS VERY LIMITED BUT THAT IT IS IMPORTANT TO TRY TO BRING LDCS INTO CODE. WE SAID OTHER S AND D APPROACHES HAD BEEN SUGGESTED TO US SUCH AS PERMITTING TEMPORARY LDC DEROGATIONS FROM LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 03381 02 OF 03 031720Z

CODE OBLIGATIONS, E.G., DOMESTIC PROCEDURES OR NOTIFICATION DEADLINES. EC STATED CONSENSUS VIEW THAT MAKING SAFEGUARD ACTIONS SUBJECT TO STRONGER MULTILATERAL DISCIPLINE IS MOST EFFECTIVE INCENTIVE TO LDC PARTICIPATION. ON QUESTION OF WHAT SHOULD BE LDC INVOLVEMENT IN CURRENT DRAFTING PROCESS, WE SUGGESTED OCCASIONAL INVITATION TO SELECTED COUNTRIES TO ATTEND MEETING COULD BE APPROPRIATE BUT NOT YET READY TO INVOLVE THEM IN PULLING TOGETHER NEGOTIATING TEXT.

7. RE "WHERE TO GO FROM HERE," DELS AGREED THAT FIRST PHASE OF TEXT-BUILDING PROCESS (E.G., ASSEMBLING AND CLARIFYING INDIVIDUAL TEXTS) WILL REQUIRE ONE MORE MEETING (SCHEDULED FOR MARCH 7 AT CANADIAN DEL) TO COVER AGENDA ITEMS 7 AND 8 (DOMESTIC PROCEDURES; "OTHER," INCLUDING EXISTING MEASURES PHASE OUT) AND NEW CANADIAN TEXT. PHASE 2 OF EXERCISE, WHICH WOULD ENTAIL COLLAPSING AND INTEGRATING TEXTS, COULD START A WEEK OR SO AFTER NEXT TUESDAY'S MEETING, FOLLOWING INTERNAL STUDY OF TEXTS AND FURTHER BILATERAL CONSULTATION. WE SUGGESTED PRODUCT OF PHASE 2 SHOULD BE SINGLE NEGOTIATING TEXT, REDUCED AS MUCH AS POSSIBLE, BY END OF MARCH.

8. AFTERNOON MEETING OF U.S., EC, CANADA, JAPAN AND "SMALL" LDC GROUP (BRAZIL, YUGOSLAVIA, NIGERIA, HONG KONG, MEXICO, PAKISTAN, INDIA, MALASIA, KOREA, SENEGAL, COLOMBIA), CONVENED AT LDC REQUEST, TO SOUND OUT DCS ON LATEST LDC (INDIAN) SAFEGUARDS PAPER (INF/17). WE OBSERVED THAT IF LATEST PAPER INTENDED TO SUPERSEDE EARLIER INDIVIDUAL LDC PROPOSALS THAT WOULD BE "AN ENCOURAGING STEP IN RIGHT DIRECTION" SINCE MUCH OF

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 03381 02 OF 03 031720Z

INF 17 ADDRESSES BASIC REQUIREMENTS OF SYSTEM RATHER THAN FOCUSING EXCLUSIVELY ON S AND D. INDIA STATED PAPER DID INDEED SUPPLANT OLD PROPOSALS AND SUMMARIZED SALIENT PROVISIONS NOTING THAT LDCS SHARED GENERAL APPREHENSION THAT SELECTIVE SAFEGUARD APPLICATIONS ENVISAGED BY EC AND NORDICS WOULD BE AIMED PRINCIPALLY AT "LOW COST IMPORTS". RESPONDING THAT SELECTIVITY WAS NOT CONCEIVED IN THOSE TERMS, EC SAID OBJECTIVE WAS TO COPE WITH VERY RAPID INCREASES IN IMPORT PENETRATION--A PHENOMENON NOT CONFINED TO DEVELOPING COUNTRY EXPORTS. U.S. SAID THERE WERE OTHER DIFFICULT ISSUES TO CLARIFY ON SELECTIVITY, SINCE LOW-PRICED IMPORTS COULD AS EASILY BE TARGETED UNDER PRESENT ARTICLE XIX ON MFN BASIS USING PRICE BREAKS.

9. USEFUL CLARIFICATION EMERGED ON LDC PREOCCUPATION WITH LINK BETWEEN SAFEGUARD ACTION AND ADJUSTMENT ASSISTANCE. IN RESPONSE TO OUR REMINDER THAT THERE IS FUNDAMENTAL DIFFERENCE BETWEEN ADJUSTMENT MEASURES (UNDERTAKEN BY GOVERNMENTS) AND DOMESTIC ADJUSTMENT PROCESS ITSELF, WHERE ADJUSTMENT ASSISTANCE CAN BE AT BEST A "LIMITED TOOL," PAKISTAN STATED DIRECTLY THAT INTENTION OF LDCS IS NOT TO REQUIRE OBLIGATION FOR "POSITIVE ASSISTANCE" BY GOVERNMENTS BUT RATHER TO AVOID LONG TERM SAFEGUARD MEASURES THAT "OBSTRUCT PROCESS OF NATURAL ADJUSTMENT." SO LONG AS SAFEGUARD MEASURE IS TEMPORARY AND DEGRESSIVE, IT CAN ENCOURAGE ADJUSTMENT. HONG KONG AND BRAZIL SAID PROVISION ON PERIODIC MULTILATERAL REVIEW OF ADJUSTMENT EFFORTS WOULD BE USEFUL TOWARD THIS END, BUT ALSO AFFIRMED NO ADJUSTMENT ASSISTANCE OBLIGATION REQUIRED.

10. IN DISCUSSION OF FUTURE WORK PROGRAM, GENERAL LDC VIEW (WHICH WE DID NOT RESIST) WAS THAT FURTHER CONSIDERATION OF SELECTIVITY WOULD BE NECESSARY BEFORE LDC PARTICIPATION IN DRAFTING PROCESS COULD BEGIN.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 03381 02 OF 03 031720Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 GENEVA 03381 03 OF 03 031725Z
ACTION STR-07

INFO OCT-01 ISO-00 IO-13 OIC-02 AF-10 ARA-10 EA-10
EUR-12 NEA-10 STRE-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02 OMB-01
DOE-11 DOEE-00 /159 W
-----105844 031726Z /40

P 031651Z MAR 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 6747
INFO AMEMBASSY BRUSSELS
AMEMBASSY OTTAWA
AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 03 OF 03 GENEVA 03381

USMTN, USEEC
ACTION STR FOR MATTHEISEN, STR PASS CODEL

PAKISTAN SUGGESTION THAT SECRETARIAT (PRESENT AT THIS
MEETING AS OBSERVER) DEVELOP COMMON TEXT, ABSENT
PROVISIONS ON S AND D AND SELECTIVITY, DID NOT GET
TOO FAR UNDER COLD WATER FROM EC AND U.S. ALL
ACQUIESCED IN BRAZIL'S SUGGESTION THAT FUTURE DIS-
CUSSIONS ADDRESS FOLLOWING TOPICS: (1) GENERAL
OBJECTIVES OF SYSTEM, (2) DEFINITION OF INJURY,
(3) MODALITY OF APPLICATION (SELECTIVITY/MFN),
(4) CONDITIONS ON MEASURES, (5) CONSULTATION/
SURVEILLANCE, (6) S AND D. TOPICS 1, 3, AND 6 WILL
BE SUBJECT OF NEXT DC/LDC MEETING, SCHEDULED FOR
MARCH 13 AS A 7 PLUS 7 SESSION IN ORDER TO ACCOMMODATE
LDC THROG WHICH IN TURN REQUIRES EC TO PRODUCE
MEMBER STATES.
DRAFTED BY ADDUCI/HARTZELL MCNAMARA
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 03381 03 OF 03 031725Z

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, ECONOMIC AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA03381
Document Source: CORE
Document Unique ID: 00
Drafter: HARTZELL MCNAMARA
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780098-0023
Format: TEL
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197803111/aaaadpzy.tel
Line Count: 327
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 89b7bab9-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 GENEVA 3084
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3131777
Secure: OPEN
Status: NATIVE
Subject: PLURILATERAL SAFEGUARD DISCUSSIONS, MARCH 1
TAGS: ETRD, JA, CA, MTN
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/89b7bab9-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014